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SUBJECT Espionage

MARVIN KALB: Our subject today is espionage, one country spying on another. This is hardly new. In fact, spying is one of history's oldest professions. But when four Americans are arrested in five days, charged with spying for the Soviet Union, China and Israel, it is for the U.S. a sudden harvest of shame. And people are asking why and how much damage has been done.

We'll try to get the answers from our guests today on Meet the Press.

First, Stephen Trott, the Assistant Attorney General of the United States. He heads the Criminal Division, which means he's in charge of prosecuting spies.

Then, Senator Patrick Leahy, the Democrat from Vermont. He's Vice Chairman of the Senate Select Intelligence Committee. And William Colby, former Director of the Central Intelligence Agency during the mid-1970s.

Joining me for our interviews today are Bob Woodward of the Washington Post and Fred Barns of the New Republic magazine.

The White House says this run of espionage cases is the result of better intelligence work. While that may be the case, it is no less embarrassing to the United States.

It all started several months ago when the Walker spy ring was busted. John Walker, who worked for the U.S. Navy, a spy for 18 years, providing the Russians with valuable intelligence. His son, 23-year-old Michael, and his brother Arthur were also involved.

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Last month a Soviet defector -- or was he a double agent? -- Vitaly Yurchenko, was allowed to return to the Soviet Union after slipping away from his CIA control. He left his calling card, however, exposing, among others, Ronald William Pelton, a former communications specialist for the supersecret National Security Agency. He was arrested, charged with selling secrets to the Russians.

Another American arrested and charged with spying for China for more than 30 years, Larry Wu-Tai Chin, who worked as a translator and analyst for the CIA.

And then Jonathan J. Pollard, who worked for the U.S. Navy, a counterterrorist expert, also arrested and charged with selling classified intelligence to Israel. His wife, Ann Henderson Pollard, allegedly helped. The Pollard case is causing major tension between two close allies.

Even President Reagan could not sidestep this string of embarrassing disclosures. He devoted his Saturday radio report to the dangers of espionage.

PRESIDENT REAGAN: Espionage, spying, is not a game. It costs our country secrets and millions of dollars in stolen technology. It can also cost lives and threaten our national survival.

KALB: And probably with the President's words echoing in its mind, the Israeli government today issued a formal statement of apology and promised to investigate and eliminate the suspected intelligence unit in Israel if, the Israelis said, that proves to be necessary.

In a moment we'll begin our interviews with Stephen Trott, the Assistant Attorney General of the United States.

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KALB: We are back on Meet the Press with Stephen Trott, the Assistant Attorney General of the United States. He's in charge of prosecuting spies.

Mr. Trott, we have just heard that the Israeli government has apologized. What does that mean? What is the U.S. Government going to do now?

STEPHEN TROTT: Well, the important part of what they said was that they pledged their cooperation with us in getting to the bottom of this.

KALB: They've pledged that before.

TROTT: That's correct. And we will take them at their word, but the proof will be in the pudding. We intend to consider this an invitation to participate in the investigation. At an appropriate time we will make public an appropriate report on the subject.

KALB: Does that mean that you will insist on sending American agents to Israel to interrogate the two Israeli diplomats, or would you have them return to the U.S.?

TROTT: Where that takes place is irrelevant. The important thing is that we get the information that we need in order to complete this investigation. And I can guaranty you that we will get that information.

FRED BARNES: Does this mean, Mr. Trott, that you have to interview them? There's been talk in Israel about perhaps providing you with an affidavit from these two science attaches from the embassy here.

TROTT: Well, let me just say that affidavits usually aren't sufficient. Without getting into the details, we like to look at people in the eye in order to assess the information that they give us.

BOB WOODWARD: But you really don't need it to make a case against Mr. Pollard, do you, as a prosecutor? Because according to the testimony in the pretrial hearing, he confessed.

TROTT: Well, let me just say that I can't really talk about what we need or don't need with respect to any case. But let me also add that we do need this information.

BARNES: Up until now, have the Israelis been stonewalling in the Pollard case?

TROTT: I wouldn't say they've been stonewalling. But let me just say that we're very pleased with their expression of cooperation this morning.

BARNES: Have they in any way impeded your investigation up to now?

TROTT: I really can't comment on that at this point.

WOODWARD: As you've got all of these cases in the last couple of weeks, somebody spying for Israel, somebody for China, people for the Soviet Union, and so forth, what is the average person to make of all of this? Is there a hemorrhage of our national security secrets going out to other countries?

TROTT: No, I wouldn't say there's a hemorrhage. And you must remember that there literally are hundreds of thousands of Americans that handle classified information relating to the national defense every day, and they respect that information and they protect it as it should be protected.

What I think the average American citizen ought to make out of this is that there is a new priority in this Administration to find spies, to arrest them, to prosecute them, convict them and imprison them. And this also says that the FBI is up to speed and capable of the kind of performance that you need to take information and convert it into a prosecutable case. It also says that federal prosecutors are now able to prosecute these cases without compromising the very secrets that are at issue in the first place. It says that the agencies are cooperating well together, and we have new resources and new tools to work on this problem.

WOODWARD: Are we seeing the tip of the iceberg, then, the public?

TROTT: It's very hard to measure what that iceberg is. As you and I sit here, we both know that there are probably more spies out there. We intend to use every effort to find them, and to do the same thing, prosecute them and put them in federal prison.

KALB: To be quite specific, the Yurchenko case. Are his fingerprints on other Americans right now that you're investigating?

TROTT: If they were, I certainly couldn't say so. Obviously, that might tip our hole card, as the old expression goes in card games.

Let me just indicate that all information that we get implicating anybody in this type of activity is vigorously followed up on by our intelligence agencies and the FBI.

KALB: But did Yurchenko give us everything that you think he knew?

TROTT: It's impossible to answer that question.

KALB: Do you think that he was a genuine defector?

TROTT: I really am not in a position to give you an opinion on that at this time.

BARNES: Did Yurchenko give information about live cases? So far the two we know, the Howard case and now the

Pelton case, involved so-called dead fish, people who were not actively feeding information to the Soviets anymore.

TROTT: I think you can realize that one of the difficulties of conducting these investigations is not revealing what's going on. You don't want to send signals to people who may be in place. All I can do is tell you that all the information that we have gotten will be used tactically and strategically to find anybody else engaged in...

BARNES: Will the lack of his presence impede prosecution of some cases? I mean will it hurt you in the Pelton case that he's not here to testify?

TROTT: No.

WOODWARD: In this baffling stew of all of these espionage cases, one of the things that strikes me that does not make sense, in the last couple of weeks Mr. Pelton, Mr. Chin arrested, supposedly sophisticated spying operations. In the case of Pelton, he's taken up to the Annapolis Hilton with a couple of your FBI agents and he confesses in a matter of several hours. Why? Why these pre-arrest confessions?

TROTT: Well, it's difficult to say why anybody does anything. Each individual is different. And you, probably in the final analysis, would have to ask them why they've done what they did.

KALB: I'm curious about one thing. On June 2nd you said, in an interview on Face the Nation, that you would pursue them, I'm quoting you, to the full limit of the law.

TROTT: That's right.

KALB: Meaning -- the question at that time was, would you plea-bargain? You said no.

Now, in the Walker case there has been a form of plea-bargaining. And why did you change your mind?

TROTT: The Walker case is an interesting case. Number one, John Walker will get everything that he would have gotten had he been tried by a jury and convicted. He's pleaded guilty to a life sentence. That's the maximum available under the law.

What we did in the Walker case, however, was get other valuable information for the United States Government that in our opinion, in the opinion of the Department of Defense, is very important to examine what has been broken by his activities and make sure that it's fixed.

KALB: So that plea-bargaining is going to be part of this whole effort now with the spies?

TROTT: Well, when you say plea-bargaining, I always stop at that term...

KALB: A reduction in what you would normally give in a sentence.

TROTT: Not necessarily so. Because in John Walker's case, he got the same sentence as he would have gotten.

KALB: What about Michael Walker?

TROTT: Michael Walker is different. That's a case where we agreed to a lesser sentence because of valuable consideration in return.

Let me just put it this way...

KALB: Isn't that plea-bargaining?

TROTT: There is a plea, but the only bargain is for the United States Government, not for any defendants. And there will be no bargains for defendants, only for the United States Government. That is the hallmark, that is the benchmark. Whatever disposition we pursue in these cases must be to the best advantage of the United States. And if it is, we will take it. If it's not, we will reject it out of hand.

BARNES: Going back to the Pollard case, where you and other investigators were misled by Israelis about what they intended to do with the two science attaches who were working with Mr. Pollard. They yanked them back, and you all didn't stop them.

TROTT: Well, I can't say we were misled. A lot of things were happening very fast. I'd like to believe that now that's behind us and we will work together in a cooperative mode to get to the bottom of all of this.

BARNES: Did they tell you they were not going to take them back to Israel?

TROTT: I really don't want to comment on exactly who told what.

WOODWARD: Do we spy on our friends?

TROTT: That's a rather broad question. All I can tell you is that we consider the interests of the United States to be

very important, and we make sure that we know what everybody...

WOODWARD: So were you surprised about the Pollard case, that the Israelis were doing this? Did you sit there at your desk and say, "This is shocking"?

TROTT: I'm not shocked by very much anymore. I've been a prosecutor for 20 years. I've seen all variety of cases. And I was very concerned. But shocked is not a term that's in my vocabulary anymore.

KALB: Mr. Trott, thanks very much for being one of our guests today on Meet the Press.

In a moment we'll be back with Senator Patrick Leahy and William Colby.

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KALB: We are back on Meet the Press with Senator Patrick Leahy, the Vice Chairman of the Senate Select Intelligence Committee, and William Colby, the former Director of Central Intelligence during the mid-1970s.

Gentlemen, we've heard a great deal that there has been this sudden rash of spy cases, and we read every day that they have been immensely damaging to the security interests of the United States.

Do you agree, Senator, and in what way?

SENATOR PATRICK LEAHY: Well, I think any spy case is damaging to us, but I think that there hasn't been a full assessment of what the damage is. I suspect that much of that assessment will not and should not be made public. All it does is confirm to the other side whether they were successful or not.

I think, on a more positive note, the fact is we're catching them.

Now, there was a time when the CIA and the FBI, I think in J. Edgar Hoover's day, not only wouldn't talk to each other, but were immensely suspicious of each other. They're cooperating far better. I give the CIA and the FBI very high marks in going after these people. And I give the Reagan Administration high marks in following what the Carter Administration set down, and that is prosecute 'em.

KALB: Mr. Colby, what do you think? Has there been immense damage to the security interests of the U.S.?

COLBY: I think there's been considerable damage, in

getting into some of our code systems, some of our highly technical machinery for intelligence coverage, things of that nature. But we have lost those things in the past, and the nation is still here.

I think any spies you worry about as to whether they can go beyond what they do individually to setting up the kind of a network that the Walker case has represented.

BARNES: In response to the Pollard case, the Israelis have suggested that Americans were spying on Israel and on the Israeli military. Doesn't the United States spy on allies, and shouldn't we? Isn't that perfectly proper?

SENATOR LEAHY: Well, the Administration has said that we don't send people out to do the things the Pollard case has done, we don't go and pay somebody within the government of Israel. And we're not supposed to in our close allies.

Do we listen in? Do we pay attention to what they're doing? Do we read their journals and everything else? Of course, as they do us. I think the difference is when you cross over that line and pay somebody to infiltrate a friendly government.

WOODWARD: But the position, really, on this is that Pollard came to the Israelis and said, "I've got some documents you guys might like to have. How about some money?" And they worked a deal.

Now, if somebody walked into the CIA or the FBI from the Israeli Embassy and said, "We've got documents," wouldn't we take them and pay for them?

SENATOR LEAHY: Well, that you should ask both the CIA and the FBI.

And I think before you think that's all there is in the Pollard case, wait till the case is developed and wait till all the facts are out in court.

KALB: What are you trying to suggest there, Senator, that there is...

SENATOR LEAHY: Well, I just think that you have to wait to see that the whole case is out. And the Israeli government has said today that they will cooperate. And I'd rather withhold judgment on exactly what happened on that until we hear all the facts.

COLBY: In any action in the espionage business, you have to figure what would be the impact if it was revealed. And

each nation is going to make that judgment on its own.

Now, the impact would be so terrible of spying on a very close ally that we would probably say no in one of those situations with some allies. With others, we might say, "Well, it sounds important enough and we need it badly enough, and we'll take the chance, and the impact seems manageable."

BARNES: When you were CIA Director, did you spy on allied countries?

COLBY: I don't think I ought to say one way or the other on that. We collected information in all sorts of ways.

SENATOR LEAHY: One thing I might say on this. And I'm sure that there are some in the hierarchy of the CIA who would even cringe to hear anybody say that oversight is a good thing for them. But both the Senate Intelligence Committee and the House Intelligence Committee has stopped on a number of instances the intelligence people from doing dumb things, from standing up and saying just the question that Mr. Colby has just raised: What happens if you get caught? Is it worth the price?

And many times we look at what might look like a very good and very worthwhile intelligence operation and say, "If you're going to get caught, it's not worth the price. You don't do it."

BARNES: Well, that leads to the questions, has your committee stopped the CIA from spying on allies?

SENATOR LEAHY: Well, I don't think that that's an issue that has really come up. The Administration...

BARNES: Well, I just raised it.

SENATOR LEAHY: The Administration has said that they don't. And that's a question that you should ask them.

KALB: Because the Israeli government, in this case, said it didn't, either. And yet the situations arise, as Bob was pointing out before, where somebody may come over and say, "Take these documents." What would you do in a case like that?

Mr. Colby, you've been involved in this thing on a firsthand basis. I'm not asking you to speak for the agency now.

COLBY: I would make that judgment...

KALB: But it certainly...

COLBY: ...as to whether it was rally worth that kind of

a risk and whether you were willing to face the impact if it happened.

KALB: I think what we're...

COLBY: Incidentally, this is one of the good things of the existence of Senator Leahy's committee, is the oversight.

I remember one case in which we did get caught in something. Several of the senators immediately denounced it as stupid, and so forth, until a few days later we pointed out that one of the budget lines we had submitted many months before covered that particular problem. The criticism disappeared.

WOODWARD: But isn't there a lot of hypocrisy in this, really? The trauma of Iran for the intelligence community in this country was immense. We had a friend, the Shah, and we didn't know what was going on in that country, and we lost Iran. And some people say, "Let's not lose another country. Let's not -- let's realize that our friends can surprise us as much as our enemies." And isn't one of the goals of oversight -- and what the intelligence community is doing now is to say, "Let's take all these documents. Let's increase spying"?

SENATOR LEAHY: Well, let's look at this. You can't make a blanket statement. Are we going to go over and spy on England, for example, where we have a special relationship? Of course not.

What I am saying is that the oversight has helped because it's helped them to talk about the political problems involved. And in this case, the oversight is probably protecting the CIA from an enormous amount of criticism right now. Because those of us looking at it said it is an improvement. You're actually catching people, people that were ignored before, and you're working better. Without us, I think that you'd have everybody calling for the heads of a lot of people, and I think unjustifiably so.

KALB: Senator, the President said yesterday, in his report to the nation, that radio address, that this threat is growing, this espionage threat is growing. In your view, do you believe that the United States is equipped to handle that threat?

SENATOR LEAHY: Yes, I think it is growing. I think it's growing substantially. I think we're taking a more realistic view. You're not going to see the kind of negligent action of the Navy in the Howard case, where they truly were negligent in letting him get through.

The President said we've got to cut down on the number

of Soviet Bloc diplomats in this country. I hope he'll look at the fact that a law has been passed for that, the Leahy-Cohen Amendment. And also look at the fact that his own State Department is lobbying heavily against implementation of that law.

KALB: Yeah, but he's just reached an agreement with Gorbachev in Geneva to set up another consular office in New York. Doesn't that increase, in fact, the number of potential Soviet agents in the United States?

SENATOR LEAHY: No, it doesn't have to. What it does is...

KALB: It doesn't have to...

SENATOR LEAHY: It says that we will have the same number over there as they have here. But actually we should be bringing down the number. There is almost a war going on between the State Department and the rest of Administration how they're going to do that, how they're going to implement the law. I've got some suggestions for them. I'm not sure they're going to want to hear them.

COLBY: This question of intelligence coverage, you know, is collecting everything you can, not just spying. Spying is only a small part of it. And the real effort is to collect all the kinds of information, open, technological, all the rest of it, and then make a judgment about it. That's what intelligence is about.

BARNES: Senator Leahy, should the Israelis send the two embassy attaches back to the United States to be interrogated about the Pollard case?

SENATOR LEAHY: Well, I always feel uncomfortable telling another government what they might do. But if I was them, I would cooperate fully and get it over with as quickly as possible. Israel is a friend of ours. We'll continue to cooperate with them, they with us. But why have an unnecessary sore point? Why not just send them back and get it over with?

WOODWARD: It is essential that we have the testimony of those individuals?

SENATOR LEAHY: Well, I feel in any kind of a case where there's spying you want to get as much testimony as possible because you want to know how far the damage went. The persons you've actually caught doesn't necessarily tell you everything they've done. You want to know how far it's gone, because you have to correct it.

As Mr. Colby said, we've had spy cases before. The nation survives, usually because we're able to go back and correct, or at least mitigate, the damage.

WOODWARD: So you think it'd be nice, but not necessary.

SENATOR LEAHY: I think it should be done anyway. I think it's going to cause an unnecessary strain between two countries that are closely allied. And they should cooperate and get it over with as quickly as possible.

COLBY: The question is always whether there's another one.

SENATOR LEAHY: Yeah.

KALB: Another one?

COLBY: Another Pollard.

KALB: Do you believe that there is?

COLBY: I have no idea. But that's a question that you will go into...

KALB: What do you think, Senator?

SENATOR LEAHY: I have no way of knowing without doing it. We do know there are other spies out there. In the coming year, there will be more arrests. And we have to assume that. The question is, can we arrest them all? Can we find them all, or not?

I agree with Mr. Colby, it helps an awful lot to get the people back and ask them those questions.

KALB: What do you think about Director Casey? Do you think that he should be held responsible in the Yurchenko case for what happened?

SENATOR LEAHY: He and I disagree on the Yurchenko case. But I also do think that Bill Casey is going to go back like a bulldog to try to find out what went right and went wrong in that. And even though he and I have disagreed on some things, I have confidence he'll do that.

BARNES: The Israelis say that high officials were not involved in spying on the United States, high Israeli officials. Isn't that really inconceivable in a case like this?

You would know about operations, Mr. Colby.

COLBY: Yes, it is conceivable, unfortunately. That has happened in various countries in the past, particularly countries that don't have an intelligence oversight committee in their legislature.

BARNES: What do you believe. Is it a rogue operation, Senator?

SENATOR LEAHY: Oh, I think that's possible. I think that's possible.

BARNES: But not likely.

SENATOR LEAHY: I don't know. I really don't. And I worry on any of these cases where people want to prejudge them very quickly, whether in the Congress or in the Administration. I like to hear the facts.

KALB: Senator Leahy, William Colby, thanks, both of you, for being our guests today on Meet the Press.

Bob Woodward and Fred Barnes and I will be back with some concluding thoughts.

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KALB: Gentlemen, listening to our guests today, I have two thoughts I'd like to impart. One is that, on the Israel case, Israel is a country that does not normally inflict wounds on itself. But I think in this particular case with Pollard, it did among the dumbest things that an allied government could do. And I think, in a public relations sense and in a real sense, it's going to hurt the relationship. Not forever, but for some time.

The second thing relates to Yurchenko. I have a sense that his fingerprints are on a lot of people and that we're going to learn a lot more about that case, perhaps in the next couple of months.

WOODWARD: I really don't think the Israeli case is that important. I think people who deal with spying at the top of both governments realize that it goes on, and I think that they're making public statements and hoping that it goes away. I don't think it alters the fundamental relationship of friendship.

BARNES: I think the Yurchenko angle is very important, and it shows how abysmally inadequate the counterespionage efforts were of the United States Government. You had Jay Pollard bragging for years about being involved with Israeli intelligence. You had Larry Chin supposedly spying for China for

30 years. And you had Ron Pelton reportedly having stayed at the Soviet Ambassador's house in Vienna. And still these people were not detected for years, until, in Pelton's case, Yurchenko defected.

KALB: Gentlemen, thanks to both of you.